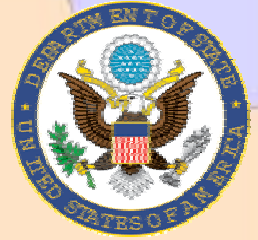


01 December 2004



Iraq Weekly Status Report

UNCLASSIFIED

DEPARTMENT
OF
STATE



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Highlights

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Elections

- ï 228 political entities, including all of the major political parties, have registered for the 30 January elections.
- ï Party certification registration has been extended by the Independent Elections Commission of Iraq (IECI) until 2 December in Al Anbar, Ninewa, and Salah ad Din provinces. Certification has ended elsewhere in Iraq.
- ï IECI has extended deadline for submission of candidate lists until 10 December ñ not to affect the 30 January election date. Iraqi political figures continue to negotiate lists and develop coalitions.

Jobs and Essential Services

- ï MOT II (pulses, infant formula, vegetable oil/ ghee, tea, infant cereals, and adult milk) is on target to meet the needs of the Public Distribution System (PDS) in December and January.



Highlights

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Economy

- ï Iraqi employment figures are increasing in both USG administered and private sectors. USG administered projects currently employ over 120,000 Iraqis.

Governance

- ï Members of an Iraqi delegation concluded a week long fact-finding visit to the International Commission on Missing Persons. The delegation included the Iraqi Minister for Human Rights of Iraq and the head of the Baghdad Medico-Legal Institute.

International Engagement and Support

- ï The UN trust fund allowing for countries to contribute to the UN Protection Force was created this week.



Security ñ Iraqi Security Forces Update

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<u>Iraqi Security Forces</u>	<u>Trained/On Hand</u>	<u>Required</u>
Police	47,342	135,000
Civil Intervention Force	1,091	3,720
Emergency Response Unit	168	270
Border Enforcement	14,593	29,360
Highway Patrol	370	6,300
Bureau of Dignitary Protection	484	500
Army	2,713	27,000
National Guard	43,445	61,904
Intervention Force	2,894	6,584
Special Operations Force	587	1,967
Air Force	167	502
<u>Coastal Defense Force</u>	<u>484</u>	<u>582</u>
Total	*114,338	273,689

* The military forces continue to receive advanced unit training.



Elections

Elections

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Elections ñ Developments

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Election Planning continues:

- ï The International Organization for Migration (IOM) has set up offices in each of the 14 Out of Country voting countries and initiated the negotiation of Memorandums of Understanding (MOUs).
- ï In response to calls for a six month delay of elections, PM Allawi and the IECI have firmly restated that elections will occur on 30 January without delay. Kurdish political parties also restated their support for the 30 January timeline.
- ï IECI announced that two staff members in each of the 542 Voter Registration Centers will be devoted full time to public outreach.
- ï IECI has established a website: www.ieciraq.org.

Elections Monitoring:

- ï IECI has issued an open invitation to national and international elections monitors for the 30 January election.
- ï Canada has begun involvement in organizing elections monitoring in Iraq in coordination with the International Federation of Electoral Systems (IFES).

Elections ñ Developments



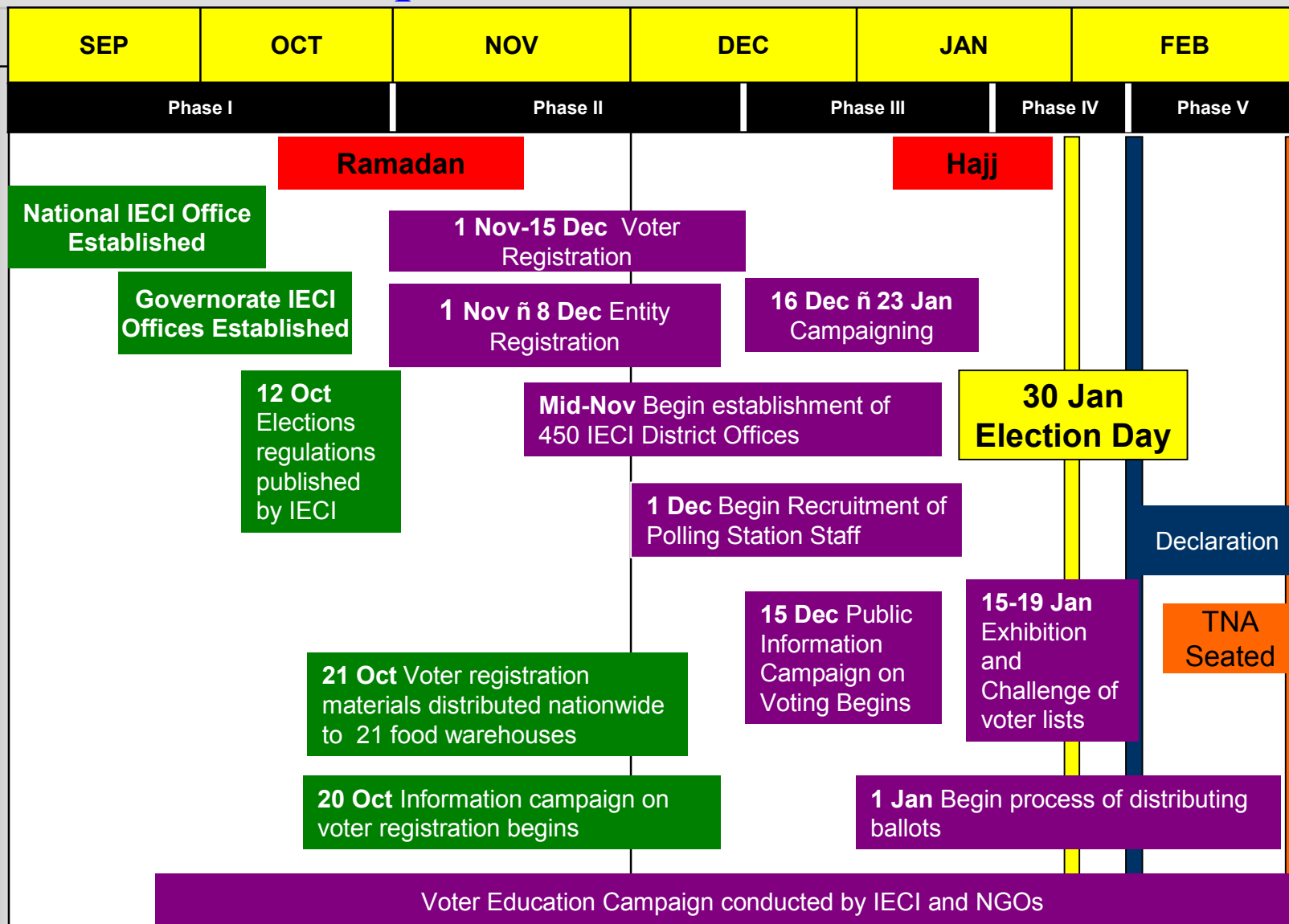
Capacity Building:

- i The National Democratic Institute (NDI) continues training for elections monitors and has established the Iraqi Elections Information Network (IEIN) to coordinate elections activities NGOs and the coalition of domestic elections monitors (CINEM)
- i IEIN has an office in Baghdad and four regional offices. Between 5,000 and 8,000 domestic elections monitors will be trained by 30 January. More information can be found at www.iraqiein.org.



Elections ñ Iraq Elections Timeline

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Jobs and Essential Services ñ Economy

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Oil Update:

- ï Crude Oil prices in world markets for the week ending 26 November closed with Kirkuk Crude at \$34.90/barrel, Basra Light at \$33.02/barrel, and the OPEC basket at \$38.74/barrel.

Employment Update:

Number of Iraqis employed by USG-administered projects in each sector

Employing Organization	Iraqis last week	Iraqis this week	% Increase on week
PCO	12,577	13,878	9.4%
USAID	28,918	31,945	9.5%
AIRP	12,100	12,100	0.0%
MILCON/OMA*	2,039	2,039	0.0%
CERP	25,813	25,813	0.0%
MNSTC-I	5,618	5,618	0.0%
IRRF NON-CONSTRUCTION	29,734	28,789	-3.3%
GRAND TOTAL	116,799	120,182	2.8%

Jobs and Essential Services ñ Water and Sanitation



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Water Treatment Projects:

- ï The Japanese government held an opening ceremony on 29 November for a reconstruction assistance training program for Iraqis entitled "Water Supply and Sewage".
 - ñ The Japanese government has implemented various courses of the Third Country Training Program which trains the people of surrounding Arab countries in cooperation with the Jordanian government.
 - ñ The Third Country Training Program for Iraqis aims at the revival and reconstruction of the country as scheduled in the cooperation agreement between Japan and Jordan.
 - ñ Japan announced it will extend \$1.5 billion in grants in 2004 and \$3.5 billion in loans to Iraq from 2005 to 2007.
- ï As of 24 November, USAID has 43 water treatment plants under construction and 11 water treatment plants have been completed. USAID has also constructed eleven irrigation sites; three more are under construction through the Project and Contracting Office (PCO).

Waste Water Treatment Projects:

- ï Through USAID, eleven sewer projects are currently under construction and two have been completed.



Jobs and Essential Services ñ Food Security

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Public Distribution System (PDS) and MOT-Awarded Contracts:

- ï MOT II (pulses, infant formula, vegetable oil/ghee, tea, infant cereals and adult milk) is on target to meet the needs of the Public Distribution System (PDS) in December and January.
- ï The World Food Program (WFP) has agreed to continue with its pipeline reporting to track estimated arrivals of shipments.
- ï The Ministry of Trade has reported that all Letters of Credit (L/Cs) have now been issued for MOT II and contracts have been amended accordingly. Independently, the Trade Bank of Iraq reports that all but one L/C have been fully funded.
- ï For December, in order to avoid wheat shortages, the MOT will mix foreign and domestic supplies (75:25) for milling and distribution. Additionally, the MOT reported they awarded a contract for 100,000 MT of wheat flour. Further details on this contract are pending.
- ï Embassy officials will meet with the Ministry of Trade again this week to further the PDS process for MOT III contracts. On November 18, the MOT III tendering process closed. The MOT plans to award those contracts by the end of this week which will fulfill February, March and April 2005 requirements.

Jobs and Essential Services ñ Health Care



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Current Hospital Rehabilitation Projects:

- ï Currently, 13 hospitals and 19 public health centers are under renovation.
- ï Up to 80 new public health centers will begin construction by 1 December. All equipment for public health centers is based on just-in-time shipment to minimize warehouse space and to keep warranties up to date.
- ï The Consortium is one of five university partnerships supported by USAID's Higher Education and Development (HEAD) Program.

Hospitals Under Construction:

- ï 59 Primary Health Care (PHC) centers are currently under construction and 110 PHCs are being renovated through USAID.
- ï USAID is also managing the construction of the Basrah Children's Hospital, and has renovated 19 hospitals to date.



Jobs and Essential Services ñ Education

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Capacity Building ñ Health:

- ï Six boxes of nursing manuals and medical reference materials collected by Jackson State University and the Mississippi Consortium for International Development (JSU/MCID) were recently delivered to faculty members of the medical, dental and nursing colleges at three northern Iraqi universities.
- ï JSU/MCID is also taking steps to upgrade facilities and enhance the quality of education at the three universities in northern Iraq including faculty exchange programs, conference workshops and the development of an advanced graduate course in global primary health care.

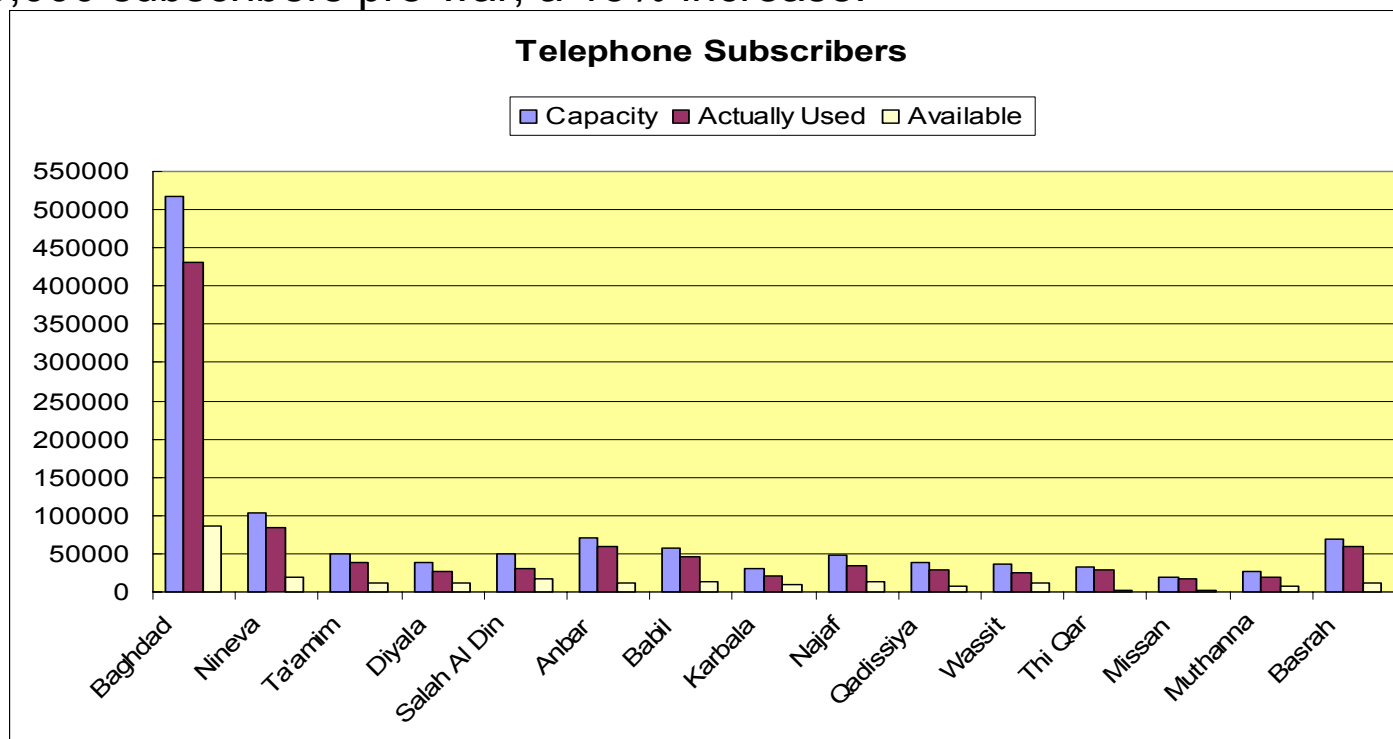
Veterinary Medicine Conference:

- ï A dean of veterinary medicine at a northern Iraqi university attended an agricultural conference in Turkey, with the support of USAID's Agricultural Higher Education and Development (AHEAD) project.
- ï The conference focused on health and production of ruminants - the class of animals that includes goats and sheep, presenting 117 research papers on these issues.
- ï The dean represented Iraq in conference organizing committee meetings and was exposed to up-to-date academic work on such topics as measuring blood statistics in goats and other subjects relevant to northern Iraq, where the raising of goats and sheep is an important part of the local economy.

Jobs and Essential Services ñ Telecommunications



- ï Total number of telephone subscribers in Iraq is now over 2,135,000 (including 1,175,000 cell phone subscribers) ñ 156% above pre-war levels.
- ï There are now 960,000 land line telephone subscribers in Iraq, compared with 833,000 subscribers pre-war, a 15% increase.

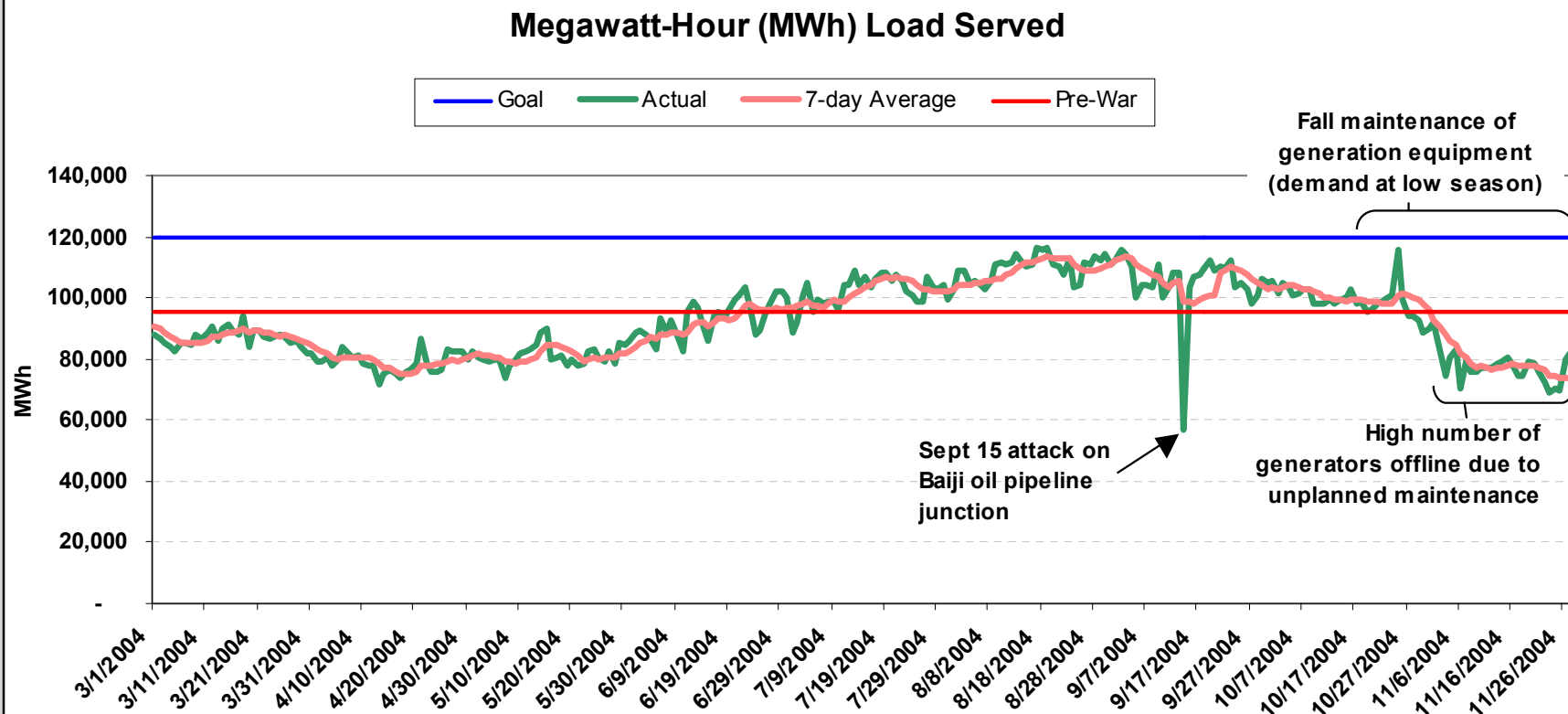


- ï There are 110,000 internet subscribers, compared with less than 12,000 before the war. These statistics do not reflect the large number of unregulated users of Internet caf s.

Jobs and Essential Services ñ Electricity Overview



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- ï Approximately 1290 MW of generation capacity was offline due to planned maintenance. Another 1200 MW was offline due to unscheduled maintenance.
- ï Despite the large amount of MW offline due to maintenance, almost 500 MW was returned to service this past week.
- ï 7 Day MWh Average (22-28 Nov): 75,050 MWh.



Economy ñ Economic Development

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Iraq ñ Jordan Investment Symposium 2004:

- ï The Iraq ñ Jordan Investment Symposium will take place in Amman, Jordan from 6-9 December, 2004. These meetings are the first in a series of events addressing soft services associated with the reconstruction effort in Iraq, as well as neighboring Jordan.
- ï This will be the first event focused on exposing the multitude of business opportunities in both the Iraqi and Jordanian marketplaces for Investment Banking Services, Consulting Services, Privatization Specialists, Asset Managers, Audit Houses, Financial Restructuring Specialists, and General Consultancy Services.

Econ Governance II Project Implementation:

- ï Under the USAID Iraq Economic Governance II (IEG II) Program, advisors continue to implement a government-wide Financial Management Information System, an automated accounting and budget execution system with online access and a centralized database.
- ï The system is already in use at the Ministry of Finance, Ministry of Interior, and Babil Governorate offices and will eventually be implemented in 50 government offices to allow them to more accurately record financial transactions.
- ï As part of its efforts to develop fair, effective, and transparent regulation of economic activity, the IEG II project works to improve utilities regulation and encourage the use of information technology in the government.



Economy

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Iraq Currency and Securities Exchanges:

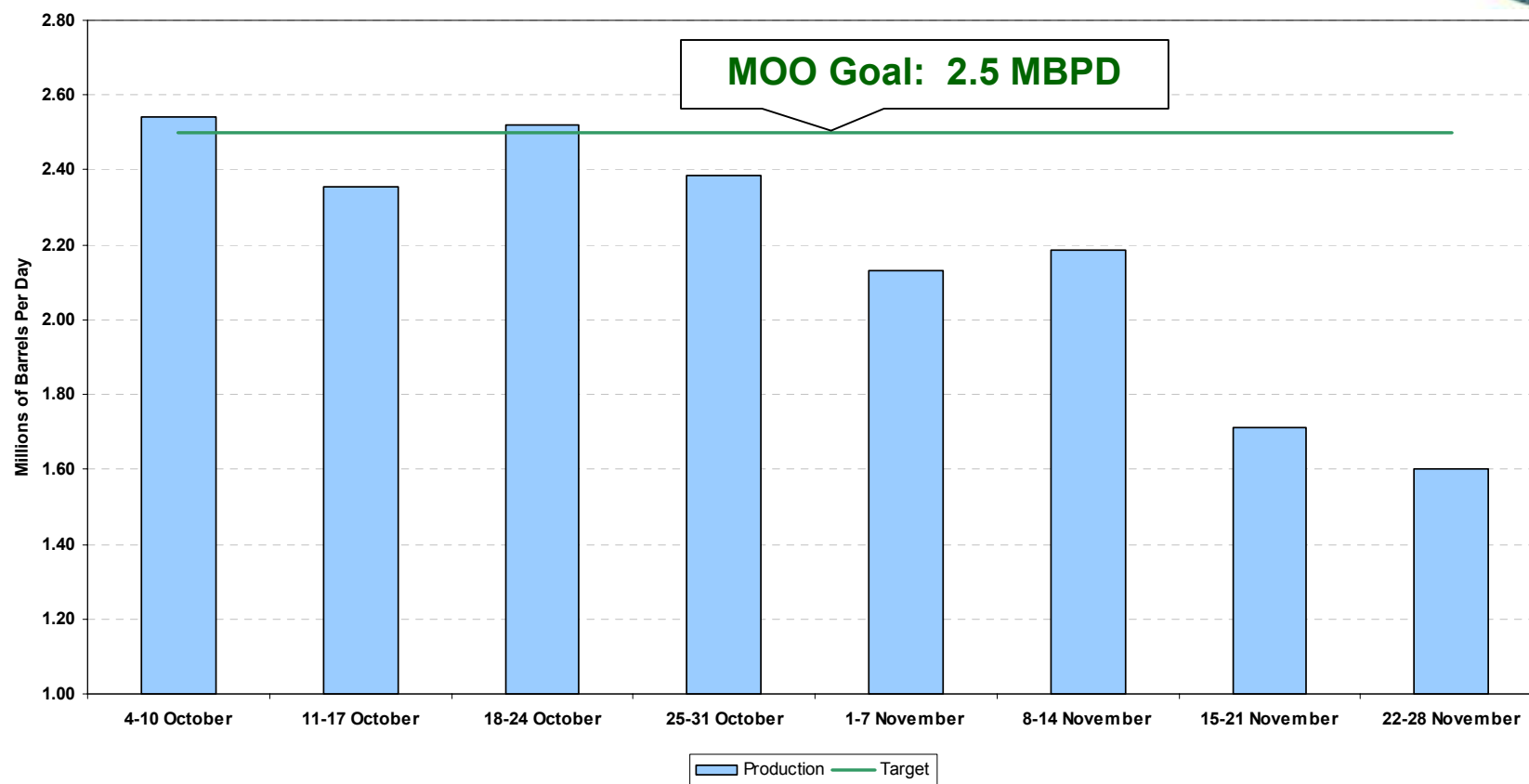
- ï At the New Iraqi Dinar (NID) auction on 30 November, the settlement price was 1,460 dinars per USD. A total of 17 banks traded. The following table shows the purchase value of the top five banks:

Bank Name	Quantity Sold (in thousands of NID)	Percentage of Total Auction
Al-Warkaa Bank	10,000	32.14%
United Bank	8,000	25.72%
Agriculture Bank	3,140	10.09%
Al-Rasheed	1,910	6.14%
Iraq Bank	1,800	5.79%
Total	24,850	79.88%

- ï The Ministry of Finance (MOF) auctioned ID 150 billion (about \$102.7 million) in T-Bills on 21 November; the settlement yield was 1.2 percent with three banks offering winning bids.



Economy ñ Crude Oil Production



ï Weekly Average (22-28 Nov) of 1.6 MBPD

ï Near Term Ministry of Oil (MOO) Target (Dec 04): 2.8 ñ 3.0 MBPD (Pre-War Capacity)

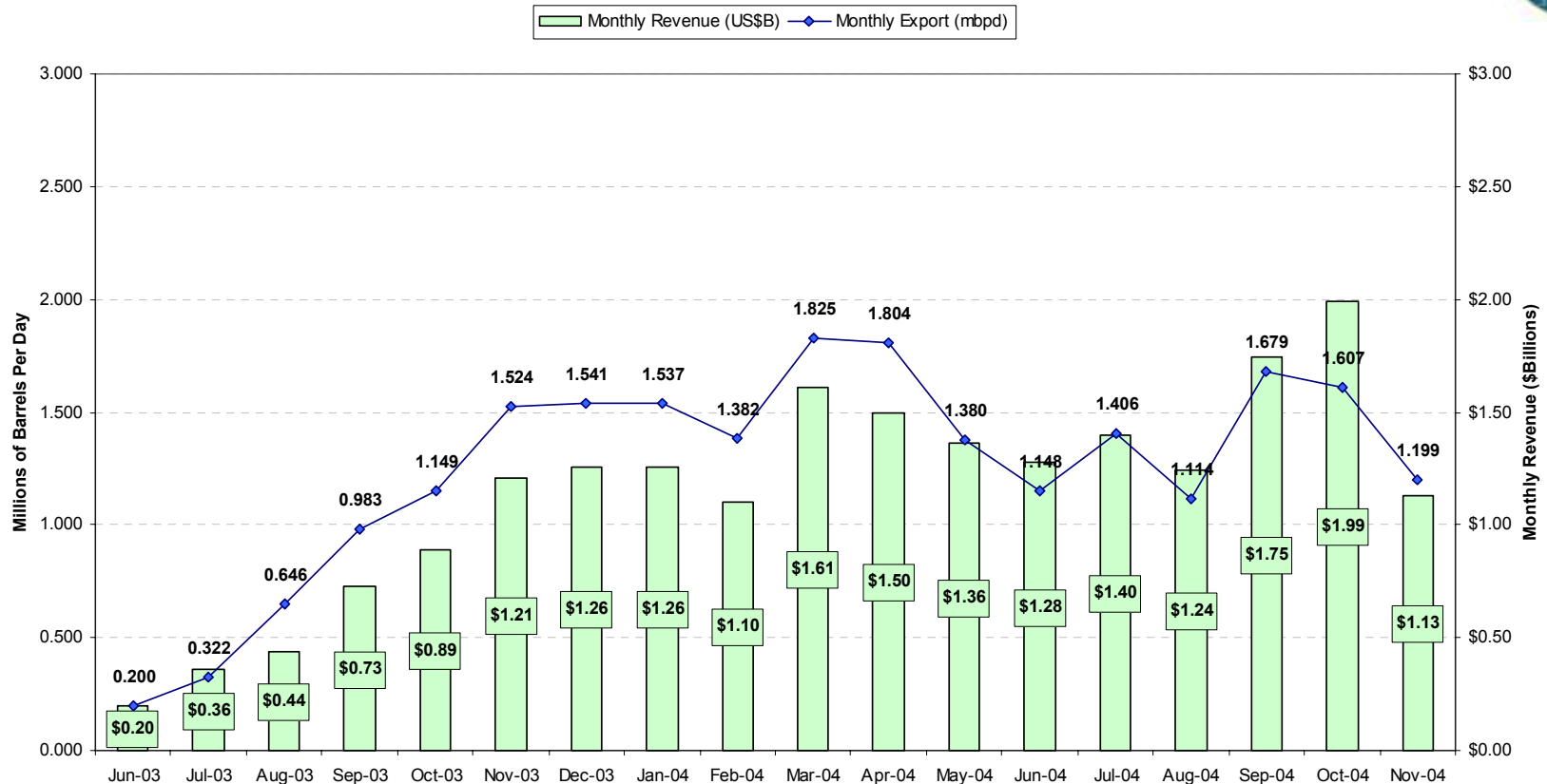
ï Pre-War Peak: 2.5 MBPD in Mar 03

ï Post-War Peak: 2.67 MBPD



Economy ñ Crude Oil Monthly Export

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̄ 2003 Revenue: \$5,076.6M

̄ 2004 Revenue:

ñ Pre-Transition: \$8,105.2M

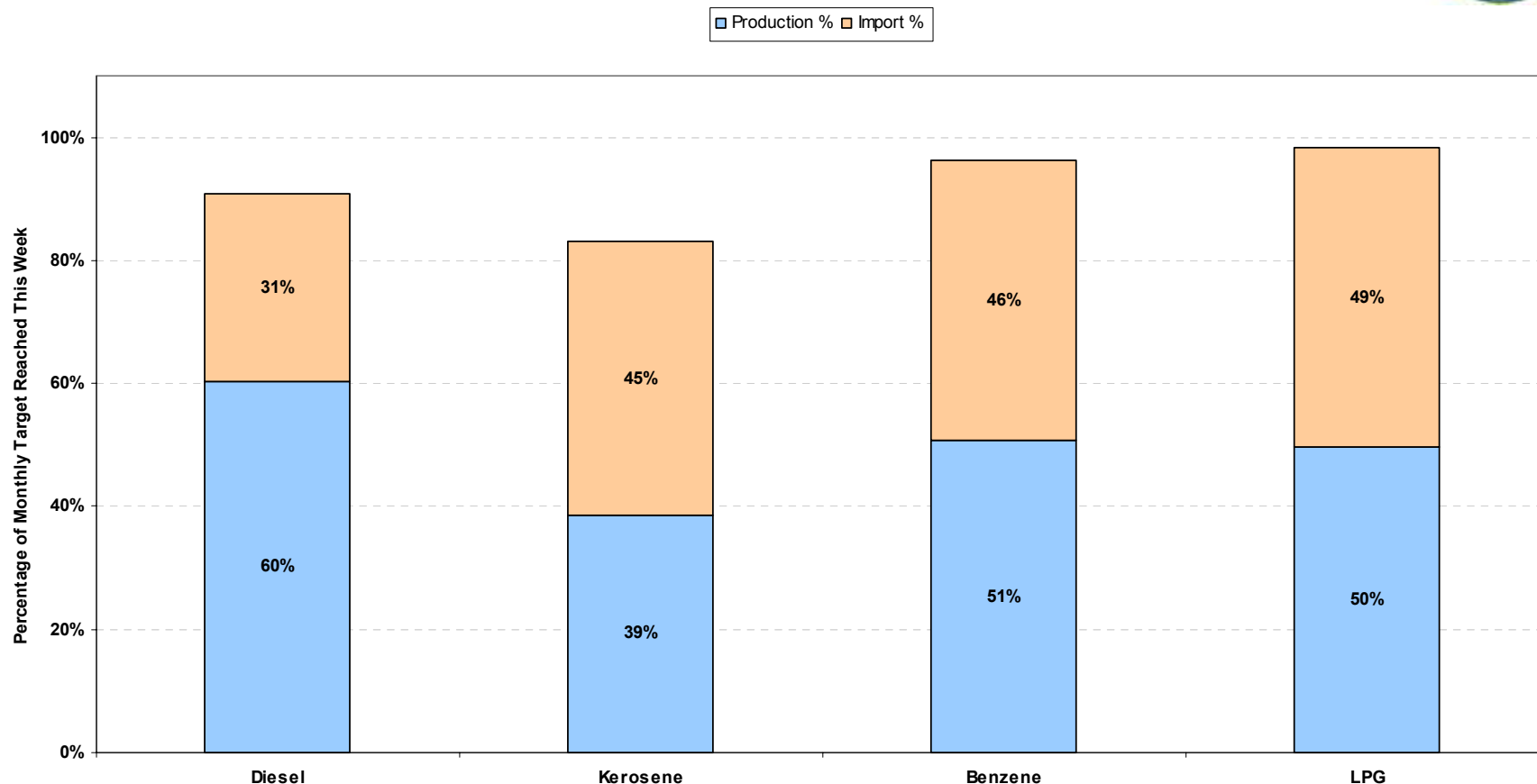
ñ Post-Transition: \$7,467.5M

\$15,572.7M

Economy ñ Refined Products Domestic & Imports



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Note: This chart represents the percentage of target reached for the week of 22-28 Nov

ï Diesel: 16.4 ML of 18 ML

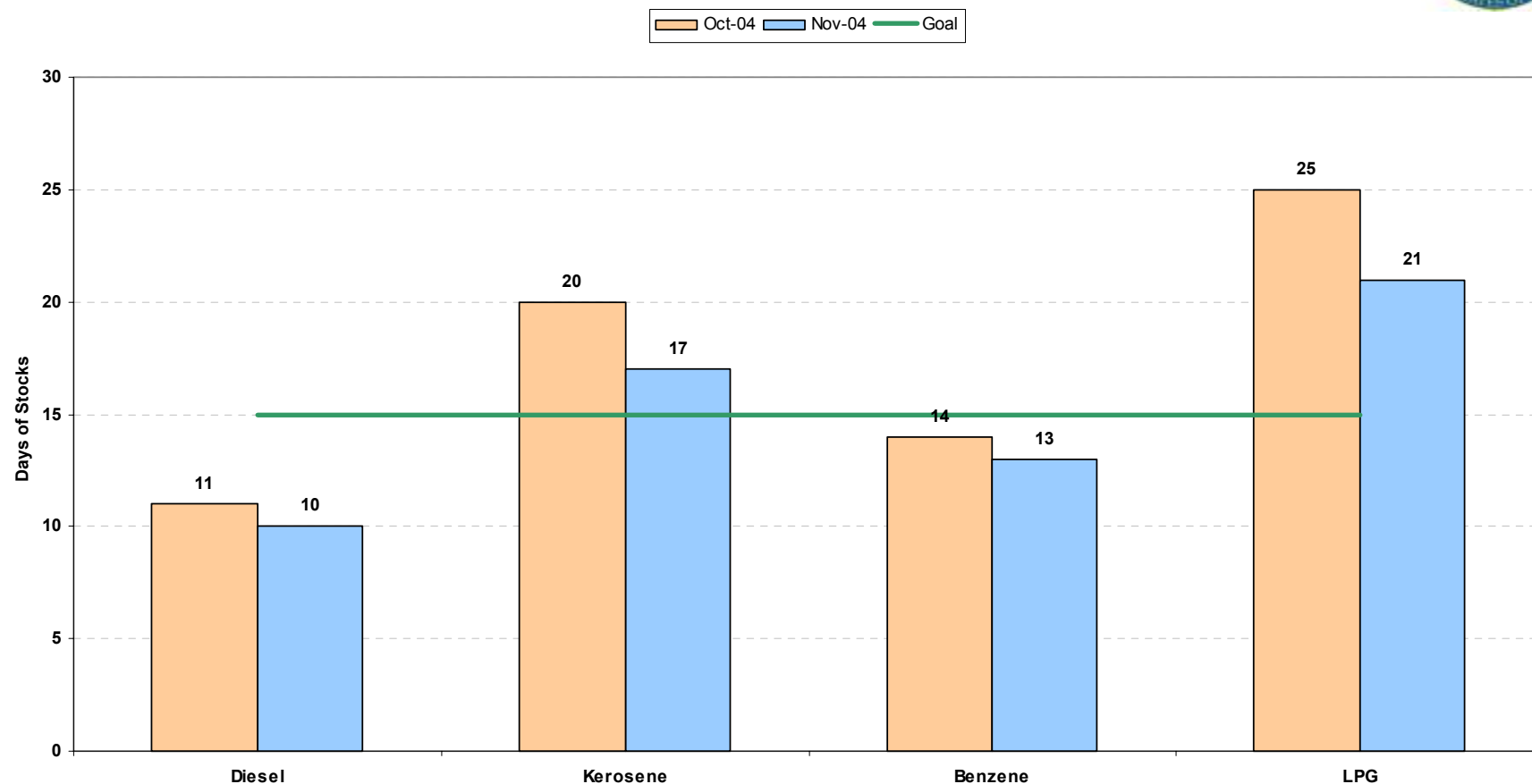
ï Kerosene: 12.5 ML of 15 ML

ï Benzene: 17.3 ML of 18 ML

ï LPG: 4,234 tons of 4,300 tons



Economy ñ National Stock Levels



ï The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.



Economy ñ Iraq Relief and Reconstruction Fund (IRRF)

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Sector	2207 Report	Apportion	Committed		Obligated		Disbursed	
			Last Week	Current	Last Week	Current	Last Week	Current
Security and Law Enforcement	5045	5045	4030	4130	2849	2898	920	938
Electricity Sector	4350	3627	3481	3469	2416	2408	477	494
Oil Infrastructure	1701	1701	1195	1196	786	786	77	77
Justice, Public Safety, and Civil Society	1121	1120	834	840	547	556	83	88
-Democracy	832	832	474	574	474	574	118	120
Education, Refugees, Human Rights, Governance	379	379	139	139	136	139	36	36
Roads, Bridges, and Construction	359	299	296	292	154	170	24	25
Health Care	786	786	780	780	410	410	6	7
Transportation and Communications	499	443	403	414	209	214	17	17
Water Resources and Sanitation	2311	1365	1342	1339	881	881	33	35
Private Sector Development	843	843	157	336	200	320	49	50
Admin Expense (USAID, State)	213	29	29	29	29	29	29	29
IRRF II SUBTOTAL	18439	16469	13160	13538	9091	9385	1869	1916
CONSTRUCTION	11306	9336	8284	8359	5459	5504		
NON-CONSTRUCTION	6301	6301	4402	4605	3158	3307		
DEMOCRACY	832	832	474	574	474	574		
IRRF I SUBTOTAL	2475	2475	2474	2474	2418	2418	1763	1763
GRAND TOTAL IRRF I & II	20914	18944	15634	16012	11509	11803	3632	3679

Data as of 30 Nov 04



Governance/ Rule of Law ñ Refugees, Democracy and Human Rights

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Iraqi Delegation Visits International Commission on Missing Persons:

- ï Members of an Iraqi delegation concluded a week long fact-finding visit to the International Commission on Missing Persons (ICMP). The delegation included the Iraqi Minister for Human Rights of Iraq and the head of the Baghdad Medico-Legal Institute.
- ï The goal of this fact-finding visit was to learn about the assistance ICMP can offer in addressing the missing persons issue in Iraq. Iraqi officials estimate there are between 300,000 and one million missing persons in Iraq.
- ï ICMP gave detailed introductions on how to formulate government policy on missing persons issues as well as sampled technology used to assist in DNA-based identification.
- ï The Iraqi government is training a team of missing person experts and local professionals to take on the responsibility of identifying missing persons. Special training is being conducted to focus on DNA technology training.

Governance/ Rule of Law ñ Justice



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Justice Sector Updates:

- ï INL Rule of Law Coordinator is planning to attend the UN conference on Rule of Law and Human Rights in Geneva (13&14 Dec).
- ï Planning and program development continue for a comprehensive and sustainable program based on Iraqi priorities.
- ï Current and ongoing programs initiated under CPA are being evaluated and incorporated into the comprehensive strategy.

Int'l Engagement & Support ñ **Stability Contributors**



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Countries with forces in Iraq (in addition to US)

Albania	El Salvador	Kazakhstan	Mongolia	Slovakia
Australia	Estonia	Korea	Netherlands	Tonga
Azerbaijan	Georgia	Latvia	Norway	Ukraine
Bulgaria	Hungary	Lithuania	Poland	UK
Czech Rep	Italy	Macedonia	Portugal	
Denmark	Japan	Moldova	Romania	

TOTAL ~ 25,000 Forces

29 Countries and NATO
(including US)
Support Iraqi Stability Operations

Iraq Weekly Status ñ General Information



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- ï This brief draws from multiple sources. References are cited on the respective pages in the ìNotes Pageî section (View → Notes Page).
- ï Please forward all questions and/or comments to (unclassified) NEA-I-IPOG-DL@state.gov or (classified) NEA-I-IPOG-DL@state.sgov.gov